



The Joint Office, relevant Gas Transporters, Shippers and other Interested parties

Promoting choice and value for all customers

Our Ref: Net/Cod/Mod/UNC169
Email: industrycodes@ofgem.gov.uk

Date: 10 August 2007

UNC 169: Transfer and Trading of Capacity between ASEPs

Following consideration of the request that modification proposal 169: *'Transfer and Trading of Capacity between ASEPs'* follows urgent modification procedures, Ofgem has today agreed to that request.

Characteristics of urgent modifications

Our view is that, in general, urgent modifications are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGG, industry parties, or customers if modification proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed modification is not urgent; and
- The proposal is linked to an imminent date related event.

Applying these characteristics to UNC 169

In reaching our decision on granting urgent status we have considered the Proposer's justification for urgency. Ofgem considers that this proposal satisfies the criteria for granting urgent status to a modification proposal, as set out in its published guidelines.

1) There is a real likelihood of significant commercial impact upon Gas Transporters, Shippers or Customers if a proposed modification is not urgent;

The Proposer of UNC169 is of the view that it needs to be considered alongside UNC156A since UNC169 is based on UNC156A with a few minor amendments. UNC169 would allow trade and transfer allocations to take place for the November 2007 to March 2008 months, rather than for October 2007 to March 2008. Furthermore, UNC169 allows for greater flexibility regarding the timing of trade and transfer auctions and allocations. It is the proposer's belief that if UNC169 is implemented before this winter it will allow for the trade and transfer of entry capacity between entry points which should reduce the likelihood of gas being stranded offshore due to insufficient capacity being available.

3) The proposal is linked to an imminent date related event

The Proposer of UNC169 suggests that this proposal needs to be implemented in advance of the forthcoming winter period, 1 November 2007 to 31 March 2008.

Ofgem agrees that in these circumstances there is a real likelihood of significant commercial impact upon Gas Transporters, Shippers or Customers if UNC169 is not treated as urgent. Furthermore UNC169 is linked to an imminent date related event for the purposes of this criterion.

Urgency Timetable

Ofgem therefore consents to urgency on the grounds that this proposal meets urgency criteria 1) and 3).

Process	Date
Ofgem grant urgency status	10/08/2007
Proposal issued for consultation	10/08/2007
Close out of representations	17/08/2007
FMR issued by Joint Office to Modification Panel	21/08/2007
Modification Panel decide upon recommendation	23/08/2007
Ofgem decision expected	w/b 03/09/07
Proposed implementation date	Likely to be with immediate effect from decision

Ofgem requests that proposed legal text for this UNC modification proposal is submitted as soon as possible and in any event before the Final Modification Report (FMR) is issued.

For the avoidance of doubt, in accepting this request for urgency, Ofgem has made no assessment of the merits of the modification proposal and nothing in this letter in any way fetters the discretion of the Authority in respect of this modification proposal.

If you have any queries or comments in relation to the issues raised in this letter, please feel free to email industrycodes@ofgem.gov.uk.

Yours sincerely,



Mark Feather
Associate Director, Industry Codes and Licensing